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# Reagan Nomination for Sparks Criticism in

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LIMA, Peru, Sept. 12—The Reagan administration has caused a minor outcry in the Peruvian press by nominating as ambassador to Lima a diplomat who reportedly cut short an earlier tour of duty here after allegations linking him to the Central Intelligence Agency.

Frank Ortiz, the proposed new ambassador to Peru, is a 30-year veteran of the Foreign Service who served as chief political officer at the U.S. Embassy here from 1967 to 1970. In October 1968, the Peruvian military overthrew the government and began what was portrayed at the time as a social and economic revolution, including the much-publicized expropriation of a major U.S.-owned oil company.

A year later, according to two former government officials who were close confidants of the then-president, Gen. Juan Velasco Alvarado, certain rumors and observations involving the oil company expropriation and other politically sensitive issues led Velasco to believe that Ortiz was working with the CIA. As a result, these officials say, Velasco called the U.S. Embassy to ask that Ortiz be removed from his position.

Diplomatic officials in the U.S. Embassy, according to these former Peruvian officials and versions of the story that circulated at the time, asked that Ortiz's departure be delayed long enough to allow him to leave quietly, with no international fuss. Three months later, Ortiz left his Peru post and became deputy chief of mission in Uruguay. The CIA allegations were never proved, and both Peruvian Foreign Ministry officials and some U.S. diplomats now say there was nothing irregular about Ortiz's departure.

"Frank ended his normal tour of

duty as assigned by the Department of State," said a U.S. diplomat in a recent interview. "He did not leave here early. . . . Before he left, he was included in, I don't remember if it was a lunch or dinner or what, and more or less apologized to."

Ortiz also had trouble during the Carter administration, when it was reported that he had been transferred from ambassadorial posts in Barbados and Guatemala, in part because of disagreements with administration policy. Ortiz is close to Reagan foreign policy advisers.

But for critics of the Ortiz nomination—some of whom disagree with the official version of Ortiz's final weeks here—it is both haughty and insensitive to send back as ambassador a man who became identified with some of a previous era's most volatile U.S.-Peruvian conflicts.

"It's just asking for trouble," said Enrique Zileri, editor of the influential and generally progovernment news magazine *Caretas*, which has run several editorials attacking the nomination. "It's a show of arrogance, I think . . . saying, 'You kicked this guy out, more or less.' Now he comes back as ambassador."

The newspaper *Correo*, saying that it was irrelevant whether Ortiz belonged to the CIA, called his nomination "a dispiriting example of how out of touch the Reagan administration is with Latin America." Current U.S. Ambassador Edwin Corr, the newspaper said, has worked comfortably with the government here and avoided conflicts with the substantial Peruvian left. Now he is to be replaced "with a diplomat who even before arriving has rekindled anti-American passions. . . . This is an arrogant vision of foreign policy that has brought a lot of headaches to the United States."

El Diario, the most widely read newspaper of the Peruvian left, has declared outright that Ortiz was "expelled from Peru years ago for being a CIA agent." The leftist newspaper *Kausachum*, which is edited by Velasco's former press secretary, Augusto Zimmerman, has made similar statements, and has taken advantage of the nomination to reprint old allegations that President Fernando Belaunde Terry directly asked for CIA counterinsurgency aid when he was president in the mid-1960s. Belaunde's first government was overthrown by the coup that brought Velasco to power.

In one issue, *Kausachum* reprinted in English a page from Victor Marchetti's and John D. Marks' book "The CIA and the Cult of Intelligence." The reprinted page says the CIA secretly sent Green Berets and combat equipment into eastern Peru in the mid-1960s to help the Peruvian government fight guerrillas.

Velasco died in 1977, and most of the few men closest to him in the Ortiz matter are out of the country or unwilling to discuss it publicly. But roughly the same version of events was described recently in interviews with Zimmerman, who was presidential press secretary in October 1969, and retired Gen. Jose Graham Hurtado, who was chief of the president's advisory committee and a close associate of Velasco.

According to their stories, Velasco became concerned about Ortiz during negotiations over the International Petroleum Co., an American-owned enterprise that became a kind of nationalistic revolutionary symbol when Velasco expropriated it shortly after taking power. Velasco was unwilling to pay the company the money it claimed, and in the course of the protracted U.S.-Peruvian negotiations, Zimmerman and Graham said, Velasco began to suspect Ortiz

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